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Public Comments on Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees:=====

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Comment: I am opposed to the proposed rule.

I have stated my comments in the attachment.

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Re: Notice of Proposed Rulemaking in GN Docket No. 15-236, FCC 15-137

Foreign ownership policies and procedures for broadcast, common carrier and aeronautical licensees.

I am writing in opposition to the proposed rule change.

I would like to address some of its assumptions.

1. There is limited access to capital .

Much of the limited access to capital has to do with a general decline in attractiveness to investors as a whole in the broadcast business as a medium due to competition from the Internet. This rule cannot change the dynamics of the medium's marketplace or the realities of the differences in technologies.

Stations currently can raise capital by selling up to 25% of their business to foreign entities. How many have done so or attempted to do so? Perhaps they don't have capital because they have not sought it or lenders and legitimate investors have little faith in legacy broadcasting going forward.

If the market felt that broadcasting had a future, it would direct resources to it without the 'help' of the commission. Central planners in Washington should not second guess the market.

Allowing foreign ownership will not change the unattractiveness of the broadcast sector but it will allow a select few broadcasters to dump their businesses. Unfortunately, many buyers will want them for reasons other than profit. But, legitimate foreign broadcast investors are not stupid. Adding to the technical lack of competitiveness of legacy broadcasting, the strong dollar has made American broadcasting even less attractive to legitimate foreign buyers.

Legitimate investors see the decline in the medium as a long term inevitability. Sadly, the major foreign 'investors' who would still be interested in buying 100% ownership of a U.S. broadcaster are those who are most likely not interested in making a profit at all, so-called 'news operations' functioning as defacto spokesmen for foreign governments such as Russia Today. Most of these operators are not and most likely will not ever be commercially viable.

Selling 100% of a broadcast business can hardly be viewed as an infusion of capital, when current owners, the sellers, simply take their money and turn the station business over to the new foreign owners. This rule is not about an infusion of capital for broadcasters as much as it is about them selling out and going out of the broadcast business.

2. It will help new entrants such as women and minorities.

If this rule is adopted, station prices will be bid up by an influx of foreign cash. More minorities and women will be priced out of the market. Those who do buy at higher prices will have a harder time covering a return on investment that is based on a higher sales price making it harder for them to stay in business.

Since stations will no longer need a minority figurehead or nominal owner, there will be less diversity in ownership not more, unless of course you consider absentee ownership by foreigners as adding to diversity.

3. Difficulty in determining foreign ownership under current rules

The commission has given examples of what a "burden" it is for some companies to prove that they do not exceed the current foreign ownership limits.

It is amazing to me that the commission would want to essentially waive the rules entirely because someone finds them difficult to comply with. That is a very dangerous precedent. I hope that does not become a trend in government. There is a reason that complying with the law is hard. Waiving the requirement will simply gut the law.

4. Localism

The proposed rule is 180 degrees out from FCC's stated localism goals. It is completely illogical to expect that an absentee foreign owner can somehow manage a broadcast business and will better serve a community than an American business. A simple infusion of money, if that actually happens, is no substitute for a hands-on understanding of the culture and needs of a local community, not to mention the lack of physical presence in the community.

5. Common Carrier vs. Broadcast

Abraham Lincoln said, "He who molds public sentiment, goes deeper than he who enacts statutes or pronounces decisions."

While the commission has mentioned that it recognizes that "broadcasters exercise control over the content that they air" it has downplayed, if not ignored, the very real threat that today's sophisticated propaganda poses in its ability to influence public opinion. Furthermore, most if not all of such foreign propaganda airing in the U.S. today does not include the required disclosures as mandated by the Foreign Agents Registration Act. It appears that the Department of Justice has simply chosen not to enforce the law.

However, witnesses before the Senate have not downplayed the issue of broadcast content.

Kenneth R. Weinstein, a member of the Broadcasting Board of Governors recently testified before the Senate Foreign Relations Committee (November 17, 2015).

He said ...

"Well-funded state propaganda outlets designed to have the patina of impartial media outlets include Russia's RT, Sputnik, Ruptly, Rossiya Segnodnya, and other secondary platforms, which according to State Department estimates spends over \$1.4 billion annually on propaganda. The Columbia Journalism Review estimates that CCTV's English language efforts will be nineteen times the annual budget of the BBC, the world's largest news organization. According to The Atlantic, al Jazeera spent \$1 billion to start Al Jazeera English and the network gets \$100 million for its annual budget. These differing platforms target specific audiences, especially in the West, seeking to undermine the possibility of a firm and united Western response to current policy crises."

He also said ...

"Across the globe, the enemies of liberty have become increasingly adept at marshaling the same cost-effective technologies that make the dissemination of information much less expensive today than it has ever been in human history.

Against this backdrop of geopolitical evolution, both elite and public opinion has proven ill-prepared about how to react to unprecedented policy change. At this time of uncertainty, state propaganda agencies have stepped into the breach, making what Peter Pomerantsev of the Legatum Institute termed the "weaponization of information" a central facet of international conflict.

The enemies of free societies – both state and non-state actors – have become increasingly skilled at "weaponization of information," aggressively using the tools of a free society, including the media and social media, to distort reality, and defend the indefensible: tyranny, kleptocracy, murder, religious intolerance and pre-modern visions of human society that deny fundamental human rights. They do so pro-actively, with creativity and attention to production value and a targeting of audiences that is far more sophisticated than the Soviet Union ever did ..."

Another witness, Enders Wimbush, a former member of the Broadcasting Board of Governors and Director of Radio Liberty said the following ...

In contrast to the period of the Cold War in which our adversaries for the most part successfully monopolized sources of information available to their populations, no such monopolization is possible today ...

... gone are the big lies; in are nuanced explanations for why these actors have behaved as they have.

Sometimes these actors attempt the big lie, but these usually fail precisely because so many other sources of information are available to contradict them. Instead, they try to control the information that matters to them; that is, less control over the visible facts, and more over the context.

They seek to explain, to obfuscate, through filters of their own interests why these facts are important, what they mean in the context their own interests, how they contribute to historical justifications for particular actions, and why they are consistent with their identities, what they seek to achieve, and their visions of the future.

Networks like Russia Today (RT), China's CCTV, and the Middle East's Al Jazeera have large followings, including increasingly in the United States where all broadcast. Their power is not that they can claim different sets of facts, but in their interpretation of facts in evidence. In a word, context. And their strategies for adjusting the context to resonate with different audiences shows growing sophistication.

<http://www.foreign.senate.gov/hearings/options-for-reforming-us-overseas-broadcasting-111715>

Content does matter. If experts agree, as they do, that sophisticated propaganda from these players is causing problems in the rest of the world, why would we want to roll out the red carpet for them here in America by fast tracking their applications for ownership?

Are Americans immune to media manipulation? If anything we should be enforcing the FARA law and we should look more closely at why foreign entities would wish to buy broadcasting businesses that may very well never provide a return on investment.

Many of these foreign governments are masters at setting up "cut out" corporations that appear to have no ties to their foreign government. Since the burden will essentially be shifted to the public to produce evidence that the foreign corporation is a bad player most of the applications will sail through. Turning this function over to our national security officials will only serve to place it in the political and diplomatic arena. Even Russia Today, Russia's premiere propaganda outlet, has been referred to as a U.S. company by the Federal Elections Commission. Following that reasoning, Russia Today could control U.S. broadcast properties under this new rule.

The original intent of the law was to err on the side of protecting Americans, that is why it is hard to comply with. It was not written to protect the rights of foreign investors, propagandists or the balance sheets of domestic corporate broadcasters.

A major Reuters investigation '**Beijing's covert radio network airs China-friendly news across Washington, and the world**', recently exposed a radio programmer with ties to communist China who has Local Marketing Agreements with quite a few radio stations. The article states that "Many of these stations do not run ads and so do not appear to be commercially motivated" but they do report the 'news' from Beijing's point of view.

<http://www.reuters.com/investigates/special-report/china-radio/>

6. Rule change will reverse the intent of the law

Finally, it has been long understood that the Commission owes a fiduciary duty to the American public ... not to America's broadcasters or foreign investors. We have been told that America's airwaves are the property of the American public. How is it in the best interest of the American public to essentially sell their airwaves to foreign corporations for the benefit of a few well connected major media players?

This rule will only benefit two groups, the U.S. broadcasters who want to cash out of declining businesses and the foreign forces that are not interested in investments but only wish to influence American opinion.

This change would be a radical departure from the original intent of the law. A law that is more needed today than when it was written. I believe that the Commission lacks the authority to make a rule change that will gut the intent of the law.

Submitted by:

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